

INFORMATION REPORT

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25X1A

COUNTRY China

DATE DISTR. 24 MAR 50

SUBJECT 1. Labor Conditions in Shanghai
2. Reorganization of Shanghai General Labor Union

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SUPPLEMENT TO REPORT NO. 25X1X

1. The Shanghai General Labor Union, which controls all unions in the city,* has established the following regulations for union organization:
 - a. Each union should consist of productive enterprises of the same type.
 - b. Each union should be organized from enterprises with related production and distribution procedures.
 - c. Large factories using the same productive system but manufacturing different products should belong to different unions.
 - d. Large, important unions may have branches and sub-branches; large plants may have their own branch unions.
2. Altogether there are thirty unions in Shanghai, including the following: railroads, postal service, telegraph service, merchant marine, warehouses, cotton mills, dyeing industry, weaving industry, woolen products industry, silk products industry, hardware industry, chemical industry, food products industry, printing industry, theatre, radio broadcasting, medical doctors, banking, importers and exporters, and department stores.
3. A Labor Bureau for settling labor-management disputes was established in Shanghai by municipal authorities in fall 1949, with MA Ch'un-ki (馬純吉)* as commissioner in charge. The Bureau has enacted temporary regulations for deciding labor disputes in private enterprises; the settlement is usually in favor of the labor element and against the management. Since its establishment, the Bureau has given judgment for the workers in 1,684 cases (from an unspecified total number). Twenty-five percent of these disputes involved the spinning and weaving industry.
4. A typical case is that of the British-owned Lun Ch'ang (綸昌) Cotton Mill, which because of poor business conditions proposed to curtail operations through reducing the pay of all its employees, releasing some employees, or possibly

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No Change in Case

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closing down. The plant workers presented the case to the Labor Bureau, which decided the firm must continue operating as usual or be forfeited to the Communist Government. In another case, the Labor Bureau forced the management in a zipper factory to raise the pay of its employees.

5. A special agreement was reached between the management and employees of Shanghai photographic studios. According to this, all photographic studio workers who belong to the union will be given by their employers either free meals or one half picul of rice a month in addition to their regular wages. The union also enjoys the right to audit the employer's accounts.
6. With the approach of the new year, many factory workers in Shanghai requested that owners of private factories furnish them the traditional new year's bonus. Factory proprietors, however, have been so hard pressed by various restrictions and trade difficulties that in some instances they were unable to afford the additional expense.
7. To relieve the situation, which had apparently reached an impasse, the Communist authorities instructed the Shanghai General Labor Union to persuade the workers to accept a smaller bonus than that usually paid and to agree to receive it in installments. The authorities also quietly warned the employees of the factories through other channels to obey the instructions of the Federation representatives.**
8. Shanghai authorities had planned to hold an inauguration ceremony for the Shanghai General Labor Union in early December 1949. Because of the wait-and-see attitude of business and industrial circles, however, the inauguration was postponed until 7 January 1950****, the twenty-fifth anniversary of the Peiping-Hankow Railroad strike.
9. A list of officials has already been decided upon by the municipal authorities, and approval for this slate is being sought among business and industrial circles. The union federation will include 1,600 representatives of industrial concerns and will have an executive committee of 160 members and 31 alternates. LIU Ch'ang-sheng (劉長勝)***** is chairman of the Preparatory Committee for the Federation.

Comment. For administrative reorganization of the Shanghai Federation of Trade Unions, see [REDACTED]

Comment. Labor leader MA Ch'un-ku was reported as giving Communist indoctrination lectures to Shanghai business owners and managers (see [REDACTED]).

Comment. Although the Communist policy towards privately-owned businesses has been severe, it is evidently not designed to force the closing of all factories. This, however, is the first instance in which the Communist labor groups have made a major compromise with management to relieve pressure on private ownership.

Comment. An independent source reports that the inauguration was held on 7 February.

Comment. LIU Ch'ang-sheng is a leader of workers in central China and a member of the Central Committee of the CCP and the Executive Committee of the All-China Federation of Trade Unions.

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